

CMS' RDS Program E-Newsletter

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Useful Links:

RDS Center

Home page for the CMS RDS Center

<http://rds.cms.hhs.gov>

CMS Coordination of Benefits/VDSA Web Site

Home page for information on submitting retiree files through the Voluntary Data Sharing Agreement

<http://www.cms.hhs.gov/medicare/cob/default.asp>

CMS Employer Page

Centers for Medicare and Medicaid Services Web Site specifically for employers

<http://www.cms.hhs.gov/medicare/cob/default.asp>

Contact Us:

<http://rds.cms.hhs.gov>

RDS@cms.hhs.gov

(877) RDS-HELP or

(877) 737-4357

(877) RDS-TTY0 or

(877) 737-8890

Payment Setup Functionality and Enhanced Online Help Now Available in RDS Secure Web Site

The RDS Center is pleased to announce the addition of new functionality to the RDS Secure Web Site. Effective Thursday, April 6, 2006, Plan Sponsors may complete payment setup options. For specific information on how to perform the Initial Payment Setup steps, go to

http://rds.cms.hhs.gov/how_to/payment_setup.htm.

Additionally the RDS Center is excited about a new online help feature now available in the RDS Secure Web Site. This new feature allows you to reference much of the information on the Program Web Site while you are logged into the Secure Web Site. To use the online help tool in the RDS Secure Web Site, click the "Help About This Page" link for page specific help or click the "Advanced Help" link to access the entire online help system.

We hope you find these RDS Secure Web Site enhancements helpful in meeting your RDS program information needs. If you have questions, please call RDS Help Line at (877) RDS-HELP, or (877) 737-4357. TTY for the hearing impaired: (877) RDS-TTY0, or (877) 737-8890. Or send an e-mail to rds@cms.hhs.gov.

RDS Payment Setup Training Webinar - Playback Available!

The March 30, 2006, RDS Payment Setup Training Webinar playback is now available both as streaming Internet video and as a download file for offline viewing in your media player.

Webinar Setup

After clicking on the playback link, you will be asked to select the desired streaming media player option in which to play back the Webinar. In order to access the Webinar event, you must have one of the following streaming media players and versions installed on your

computer:

Downloads:

- [Microsoft Windows Media Player 9](#)
- [RealNetworks Real Player 10 and RealOne](#)

If you are not sure what streaming media players you have installed, or not sure what player to use, you can [test your system via the FAQ](#).

Problems and Additional Information

If you experience problems viewing or listening to the event, please review the following minimum requirements and frequently asked questions (FAQs) at: <http://www.genesys.com/ges/faq/>.

Please use the above FAQ link if you have any questions. The CMS RDS Center will not be able to assist you with specific media player or technical problems.

Playback Link

The playback link can be accessed at:

<http://rds.cms.hhs.gov/news/documents/playback/index.htm>

2007 Threshold Limit Adjustments

On Wednesday, April 5, 2006 CMS announced the adjusted cost threshold and cost limit amounts for Plan Sponsors with qualified prescription drug plans *that end in 2007, as well as the adjusted parameters for Medicare Part D plans in 2007*.

The adjustments apply only to plan years that end in 2007. Thus, *calendar year plans and other plans ending in 2006 are unaffected*. The new cost threshold and cost limit are **\$265** and **\$5,350**, respectively.

This is an increase from the 2006 cost threshold and cost limit of \$250 and \$5,000, respectively. In addition, the Medicare Part D benefit parameters (e.g., deductible and out-of-pocket threshold) have been adjusted. These Medicare Part D adjustments affect the actuarial attestations submitted to the CMS RDS Center for plan years that end in 2007.

Impact of Adjustments on Non-Calendar Year Plans

The adjusted cost threshold and cost limit are used in determining the amount of subsidy payments for Plan Years ending in 2007. Thus, for each such plan, subsidy payments to a Plan Sponsor for each qualifying covered retiree will generally equal 28 percent of allowable retiree costs attributable to gross retiree costs between \$265 and \$5,350. To ensure

payment amounts are correct, Plan Sponsors that operate on a non-calendar year basis should make the necessary system adjustments to calculate their allowable retiree costs based on the new cost threshold and cost limit as soon as possible. Adjustments must be factored in by the time of RDS payment reconciliation (which is no later than 15 months after the end of the plan year).

In addition, 42 C.F.R. §423.884(d)(5)(iii)(C) generally provides that the valuation of defined standard prescription drug coverage for a given plan year is based on the initial coverage limit cost-sharing and out-of-pocket threshold for defined standard prescription drug coverage under Medicare Part D at the start of such plan year. However, any actuarial attestation submitted to the CMS RDS Center more than 60 days after the publication of the adjusted amounts – i.e., after **June 6, 2006** - must apply the adjusted amounts.

For more information on the adjusted cost threshold and cost limit amounts for 2007, refer to the following downloads as necessary:

Downloads:

- [Medicare Part D Benefit Parameters for Standard Benefit: Annual Adjustments for 2007](#) (pdf, 35 KB)
- [Medicare Part D Benefit Parameters: Annual Adjustments for Standard Benefit in 2007 - Memo](#) (pdf, 61 KB)

Helpful Tips

This section is intended to provide you with helpful tips about payment setup in preparation for the July 1 implementation of cost reporting and requesting payment.

- Review the [Initial Payment Setup Training Webinar](#) that was held on March 30, 2006. This playback is a media player file that allows you to view the PowerPoint slides and listen to the corresponding audio as it was presented at the Webinar event. Since it is a media player file, printed copies of the presentation are unavailable.
- [Complete the Authorized Representative Verification Form](#) *now* to ensure that this important task is completed early. Remember that an Authorized Representative Verification Form must be submitted for each Plan Sponsor ID Number (*not for each application*) as a precondition to requesting subsidy payments.
- Complete your [Payment Setup](#) as soon as possible to ensure that nothing will delay your Payment Request(s).
- Use the upgraded 'Advanced Help' and 'Help About This Page'



features within the RDS Secure Web Site to access information and guidance at your fingertips while completing tasks.